

STATE OF ILLINOIS

ILLINOIS
COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION

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Illinois Commerce Commission

On its Own Motion

-vs-

Mt. Carmel Public Utility Co.

00-0727

Reconciliation of revenues
collected under fuel adjustment
charges with actual costs.

CHIEF CLERK'S OFFICE

DRAFT ORDER

By the Commission:

On November 8, 2000, the Illinois Commerce Commission ("Commission") entered an Order Commencing FAC Reconciliation Proceedings, which directed Mt. Carmel Public Utility Co. ("Mt. Carmel" or "Respondent" or "Company"), to present evidence in this docket at a public hearing to show the reconciliation of revenues collected under its Fuel Adjustment Clause tariff ("FAC") with the actual cost of fuel supplies prudently incurred and recoverable under said FAC for the period from January 1, 2000, through December 31, 2000, (the "Reconciliation Period").

Notice of the filing of Respondent's testimony and schedules with the Commission was posted in Respondent's business offices and was published in newspapers having general circulation in Respondent's service territory, in the manner prescribed by 83 Ill. Adm. Code 255, in compliance with the Commission's Order Commencing FAC Reconciliation Proceedings in this docket.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, a prehearing conference was held in this matter before a duly authorized Hearing Examiner of the Commission at its offices in Springfield, Illinois, on April 26, 2001. Thereafter, this matter came on for an evidentiary hearing at its offices in Springfield, Illinois, on July 24, 2001. Appearances were entered by counsel for Respondent and by the Commission Staff. Staff's motion to waive filing of testimony was granted. Respondent's direct evidence, Direct Testimony including Exhibits E-1 and E-2 of Philip Barnhard IV, President of Respondent, (MCPU Exhibit 1.0 and late filed MCPU Exhibit 2.0) were admitted into evidence. The statements of Bonita Pearce of the Staff's Accounting Department (Financial Analysis Division) and James D. Spencer of the Staff's Engineering Department (Energy Division) were presented at the evidentiary hearing. At the conclusion of the July 24, 2001, hearing, the record was marked "Heard and Taken."

The record contains a detailed description of Respondent's practices and procedures for reconciling the revenues collected under its FAC with the actual costs recoverable under such tariff during the Reconciliation Period. All participants were afforded the opportunity to cross-examine all witnesses and to offer evidence with respect to all issues in this proceeding.

Respondent's Direct Evidence

Mr. Philip Barnhard, IV, President of Mt. Carmel testified as to his responsibility for supervising the calculation and filing with the Commission of Respondent's monthly FAC and annual reconciliation required by Respondent's FAC tariff. Mr. Barnhard sponsored Exhibits E-1 and E-2 to his Direct Testimony that identified and reconciled all components of the Company's 2000 fuel costs and recoveries. Exhibit E-1 showed fuel adjustment charge rate sheets and E-2 showed that Respondent had over recovered fuel costs from its customers during 2000 by the amount of \$23,980.85 with this amount refunded to its customers in January and February, 2001, resulting in a requested ordered factor of 0.00.

Mr. Barnhard also expressed the opinion that Mt. Carmel's procurement of fuel supply purchases was prudent during 2000.

Commission Staff's Statements

Ms. Bonita Pearce of Staff stated at the evidentiary hearing that the Staff had reviewed the Company's filing and had reviewed the Company's responses to extensive data requests concerning the revenues collected under the FAC tariff and costs recoverable under such tariff. Ms. Pearce stated that the Staff had found no reason to object to Respondent's reconciliation of FAC revenues collected under its FAC tariff with the actual cost of fuel supplies. Further, on behalf of the Staff, Ms. Pearce stated that it recommended that the Commission: (i) accept the reconciliation of revenues collected under the FAC tariff with actual costs as reflected on Exhibit E-2 to said testimony.

Mr. Spencer of Staff stated that Staff had reviewed the Company's filing and responses to extensive data requests concerning the prudence of the Company's fuel supply purchases during the reconciliation period. Mr. Spencer further stated that Staff found no reason to dispute the Company's assertion that all fuel and power supply purchases were prudently incurred during the reconciliation period.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Respondent is a corporation engaged in the distribution of electricity and natural gas to the public in Illinois and, as such, is a public utility within the meaning of the Public Utilities Act;
- (2) the Commission has jurisdiction over Respondent and of the subject matter of this proceeding;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by

the evidence and the record and are hereby adopted as findings of fact;

- (4) the evidence shows that during the calendar year 2000 Reconciliation Period, Respondent acted reasonably and prudently in its purchase of fuel;
- (5) for the calendar year 2000 Reconciliation Period, the Commission accepts Respondent's proposed reconciliation of revenues collected under its FAC tariff with the actual cost of fuel supplies during that year as described in Exhibit E-2 to Respondent's Prefiled Testimony of Philip Barnhard, IV, attached to this Order as the Appendix and incorporated by reference herein;
- (6) all motions, petitions, objections or other matters in this proceeding which remain undisposed of should be disposed of consistent with the conclusion herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the reconciliation submitted by Mt. Carmel Public Utility Co. of the revenues collected under its FAC tariff with costs prudently incurred for the purchase of fuel for calendar year 2000, are, hereby approved.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-112 of the Public Utilities Act and 83 Ill. Adm. Code 200.800, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this _____ day of _____, 2001.

(SIGNED) RICHARD L. MATHIAS

Chairman

(SEAL)

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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-vs-	:	
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Reconciliation of revenues	:	
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NOTICE OF FILING AND CERTIFICATE OF SERVICE

TO: See Attached Service List

PLEASE TAKE NOTICE that on the 7th day of August, 2001, Mt. Carmel Public Utility Co. caused to be filed with the Chief Clerk of the Illinois Commerce Commission by depositing in a United States Post Office Box in Mt. Carmel, Illinois, the following documents contained in an envelope properly addressed with postage fully prepaid:

Draft Order
Notice of Filing and Certificate of Service


DATED this 7th day of August, 2001.



Eric Bramlet, Attorney at Law

CERTIFICATE OF SERVICE

The undersigned attorney does hereby certify that he served a copy of the foregoing listed documents on behalf of Mt. Carmel Public Utility Co., upon all parties listed on the attached Service List, by depositing same, with postage fully prepaid, in a U.S. Post Office box in Mt. Carmel, Illinois on the 7th day of August, 2001.



Eric Bramlet
Koger & Bramlet, P.C.
316 1/2 Market Street
P.O. Box 278
Mt. Carmel, IL 62863
Telephone: 618/263-3502
Facsimile: 618/263-3504
e-mail: kblaw@midwest.net

Service List
ICC Docket No. 00-0727

Eric Bramlet
Mt. Carmel Public Utility Co.
Koger & Bramlet, P.C.
P.O. Box 278
Mt. Carmel, IL 62863

Bonita Pearce
Illinois Commerce Commission
527 E. Capitol Ave.
Springfield, IL 62701

James D. Spencer
Illinois Commerce Commission
527 E. Capitol Ave.
Springfield, IL 62701

William Showtis, Hearing Examiner
Illinois Commerce Commission
527 E. Capitol Ave.
Springfield, IL 62701